

House File 215

H-1014

Amend House File 215 as follows:

1. Page 1, before line 1 by inserting:

<DIVISION

STATE SCHOOL FOUNDATION PROGRAM

Section 1. Section 257.2, subsection 9, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* Property tax replacement payments received under section 257.16B.

Sec. _____. Section 257.4, subsection 1, paragraph a, Code 2013, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (9) The amount of the school district property tax replacement payment received by the school district under section 257.16B.

Sec. _____. Section 257.4, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, ~~and then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1, and then reduced by the amount of property tax replacement received under section 257.16B.~~ The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. ~~The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4.~~ The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4, and the balance of the property tax equity and relief fund created in section 257.16A at the end of the calendar year.

1 Sec. _____. Section 257.8, subsections 1 and 2, Code
2 2013, are amended to read as follows:

3 1. ~~State percent of growth. The state percent of~~
4 ~~growth for the budget year beginning July 1, 2010, is~~
5 ~~two percent.~~ The state percent of growth for the
6 budget year beginning July 1, 2012, is two percent.
7 The state percent of growth for the budget year
8 beginning July 1, 2013, is two percent. The state
9 percent of growth for the budget year beginning July
10 1, 2014, is two percent. The state percent of growth
11 for each subsequent budget year shall be established
12 by statute which shall be enacted within thirty days
13 of the submission in the year preceding the base year
14 of the governor's budget under section 8.21. The
15 establishment of the state percent of growth for a
16 budget year shall be the only subject matter of the
17 bill which enacts the state percent of growth for a
18 budget year.

19 2. ~~Categorical state percent of growth. The~~
20 ~~categorical state percent of growth for the budget~~
21 ~~year beginning July 1, 2010, is two percent.~~ The
22 categorical state percent of growth for the budget
23 year beginning July 1, 2012, is two percent. The
24 categorical state percent of growth for the budget
25 year beginning July 1, 2013, is two percent. The
26 categorical state percent of growth for the budget
27 year beginning July 1, 2014, is two percent. The
28 categorical state percent of growth for each budget
29 year shall be established by statute which shall
30 be enacted within thirty days of the submission in
31 the year preceding the base year of the governor's
32 budget under section 8.21. The establishment of the
33 categorical state percent of growth for a budget year
34 shall be the only subject matter of the bill which
35 enacts the categorical state percent of growth for a
36 budget year. The categorical state percent of growth
37 may include state percents of growth for the teacher
38 salary supplement, the professional development
39 supplement, and the early intervention supplement.

40 Sec. _____. Section 257.15, subsection 4, paragraph
41 b, Code 2013, is amended to read as follows:

42 b. After lowering all school district adjusted
43 additional property tax levy rates to the statewide
44 maximum adjusted additional property tax levy rate
45 under paragraph "a", the department of management shall
46 use any remaining funds at the end of the calendar
47 year to further lower additional property taxes by
48 increasing for the budget year beginning the following
49 July 1, the state foundation base percentage. Moneys
50 used pursuant to this paragraph shall supplant an equal

1 amount of the appropriation made from the general fund
2 of the state pursuant to section 257.16 that represents
3 the increase in state foundation aid.

4 Sec. _____. NEW SECTION. 257.16B School district
5 property tax replacement payments.

6 1. For each fiscal year beginning on or after July
7 1, 2013, there is appropriated from the general fund
8 of the state to the department of education an amount
9 necessary to make all school district property tax
10 replacement payments under this section, as calculated
11 in subsection 2, paragraph "c".

12 2. For each budget year beginning on or after July
13 1, 2013, the department of management shall calculate
14 for each school district all of the following:

15 a. The state cost per pupil for the budget year
16 beginning July 1, 2012, multiplied by one hundred
17 percent less the regular program foundation base per
18 pupil percentage pursuant to section 257.1.

19 b. The state cost per pupil for the budget year
20 multiplied by one hundred percent less the regular
21 program foundation base per pupil percentage pursuant
22 to section 257.1.

23 c. The amount of each school district's property
24 tax replacement payment. Each school district's
25 property tax replacement payment equals the school
26 district's weighted enrollment for the budget year
27 multiplied by the remainder of the amount calculated
28 for the school district under paragraph "b" minus
29 the amount calculated for the school district under
30 paragraph "a".

31 3. School district property tax replacement
32 payments under this section shall be paid by the
33 department of education at the same time and in the
34 same manner as foundation aid is paid and may be
35 included in the monthly payment of state aid under
36 section 257.16, subsection 2.

37 Sec. _____. CODE SECTION 257.8 —
38 IMPLEMENTATION. The requirements of section 257.8,
39 subsections 1 and 2, regarding the enactment of bills
40 establishing the regular program state percent of
41 growth and the categorical state percent of growth
42 within thirty days of the submission in the year
43 preceding the base year of the governor's budget and
44 regarding the subject matter limitation of such bills
45 do not apply to this division of this Act.

46 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
47 of this Act, being deemed of immediate importance,
48 takes effect upon enactment.

49 DIVISION _____
50 SCHOOL DISTRICT FUNDING TERMINOLOGY

1 Sec. _____. Section 256C.4, subsection 1, paragraph
2 f, Code 2013, is amended to read as follows:

3 f. The receipt of funding by a school district
4 for the purposes of this chapter, the need for
5 additional funding for the purposes of this chapter,
6 or the enrollment count of eligible students under
7 this chapter shall not be considered to be unusual
8 circumstances, create an unusual need for additional
9 funds, or qualify under any other circumstances that
10 may be used by the school budget review committee
11 to grant supplemental aid to or establish modified
12 ~~allowable growth supplemental state aid~~ for a school
13 district under section 257.31.

14 Sec. _____. Section 257.2, subsection 1, Code 2013,
15 is amended by striking the subsection.

16 Sec. _____. Section 257.2, subsection 12, Code 2013,
17 is amended to read as follows:

18 12. "*State percent of growth*" means the percent
19 of growth which is established by statute pursuant to
20 section 257.8, and which is used in determining the
21 ~~allowable growth supplemental state aid~~.

22 Sec. _____. Section 257.2, Code 2013, is amended by
23 adding the following new subsection:

24 NEW SUBSECTION. 12A. "*Supplemental state aid*" means
25 the amount by which state cost per pupil and district
26 cost per pupil will increase from one budget year to
27 the next.

28 Sec. _____. Section 257.6, subsection 1, paragraph
29 a, subparagraph (5), Code 2013, is amended to read as
30 follows:

31 (5) Resident pupils receiving competent private
32 instruction from a licensed practitioner provided
33 through a public school district pursuant to chapter
34 299A shall be counted as three-tenths of one pupil.
35 Revenues received by a school district attributed to
36 a school district's weighted enrollment pursuant to
37 this subparagraph shall be expended for the purpose
38 for which the weighting was assigned under this
39 subparagraph. If the school district determines that
40 the expenditures associated with providing competent
41 private instruction pursuant to chapter 299A are
42 in excess of the revenue attributed to the school
43 district's weighted enrollment for such instruction in
44 accordance with this subparagraph, the school district
45 may submit a request to the school budget review
46 committee for modified ~~allowable growth supplemental~~
47 state aid in accordance with section 257.31, subsection
48 5, paragraph "n". A home school assistance program
49 shall not provide moneys received pursuant to this
50 subparagraph, nor resources paid for with moneys

1 received pursuant to this subparagraph, to parents or
2 students utilizing the program. Moneys received by a
3 school district pursuant to this subparagraph shall be
4 used as provided in section 299A.12.

5 Sec. _____. Section 257.8, subsections 3, 6, and 7,
6 Code 2013, are amended to read as follows:

7 3. ~~Allowable growth~~ Supplemental state aid
8 calculation. The department of management shall
9 calculate the regular program ~~allowable growth~~
10 supplemental state aid for a budget year by multiplying
11 the state percent of growth for the budget year by
12 the regular program state cost per pupil for the base
13 year and shall calculate the special education support
14 services ~~allowable growth~~ supplemental state aid for
15 the budget year by multiplying the state percent of
16 growth for the budget year by the special education
17 support services state cost per pupil for the base
18 year.

19 6. ~~Combined allowable growth~~ supplemental state
20 aid. The combined ~~allowable growth~~ supplemental state
21 aid per pupil for each school district is the sum of
22 the regular program ~~allowable growth~~ supplemental
23 state aid per pupil and the special education support
24 services ~~allowable growth~~ supplemental state aid per
25 pupil for the budget year, which may be modified as
26 follows:

27 a. By the school budget review committee under
28 section 257.31.

29 b. By the department of management under section
30 257.36.

31 7. ~~Alternate allowable growth~~ supplemental state
32 aid — definitions. For budget years beginning July
33 1, 2000, and subsequent budget years, references
34 to the terms "~~allowable growth~~" "supplemental state
35 aid", "regular program state cost per pupil", and
36 "regular program district cost per pupil" shall
37 mean those terms as calculated for those school
38 districts that calculated regular program ~~allowable~~
39 ~~growth~~ supplemental state aid for the school budget
40 year beginning July 1, 1999, with the additional
41 thirty-eight dollars specified in section 257.8,
42 subsection 4, Code 2013.

43 Sec. _____. Section 257.8, subsections 4 and 5, Code
44 2013, are amended by striking the subsections.

45 Sec. _____. Section 257.9, subsection 1, paragraph b,
46 Code 2013, is amended to read as follows:

47 b. The total calculated under this subsection shall
48 be divided by the total of the budget enrollments of
49 all school districts for the budget year beginning July
50 1, 1990, calculated under section 257.6, subsection

1 4, if section 257.6, subsection 4, had been in effect
2 for that budget year. The regular program state
3 cost per pupil for the budget year beginning July 1,
4 1991, is the amount calculated by the department of
5 management under this subsection plus ~~an allowable~~
6 ~~growth~~ a supplemental state aid amount, as defined in
7 this division of this Act, that is equal to the state
8 percent of growth for the budget year multiplied by the
9 amount calculated by the department of management under
10 this subsection.

11 Sec. _____. Section 257.9, subsections 2, 4, 6, 7, 8,
12 9, and 10, Code 2013, are amended to read as follows:

13 2. *Regular program state cost per pupil for*
14 *1992-1993 and succeeding years.* For the budget year
15 beginning July 1, 1992, and succeeding budget years,
16 the regular program state cost per pupil for a budget
17 year is the regular program state cost per pupil for
18 the base year plus the regular program ~~allowable growth~~
19 supplemental state aid for the budget year.

20 4. *Special education support services state cost*
21 *per pupil for 1992-1993 and succeeding years.* For the
22 budget year beginning July 1, 1992, and succeeding
23 budget years, the special education support services
24 state cost per pupil for the budget year is the special
25 education support services state cost per pupil for the
26 base year plus the special education support services
27 ~~allowable growth~~ supplemental state aid for the budget
28 year.

29 6. *Teacher salary supplement state cost per*
30 *pupil.* For the budget year beginning July 1, 2009, for
31 the teacher salary supplement state cost per pupil, the
32 department of management shall add together the teacher
33 compensation allocation made to each district for the
34 fiscal year beginning July 1, 2008, pursuant to section
35 284.13, subsection 1, paragraph "h", Code 2009, and
36 the phase II allocation made to each district for the
37 fiscal year beginning July 1, 2008, pursuant to section
38 294A.9, Code 2009, and divide that sum by the statewide
39 total budget enrollment for the fiscal year beginning
40 July 1, 2009. The teacher salary supplement state
41 cost per pupil for the budget year beginning July 1,
42 2010, and succeeding budget years, shall be the amount
43 calculated by the department of management under this
44 subsection for the base year plus ~~an allowable growth~~
45 a supplemental state aid amount that is equal to the
46 teacher salary supplement categorical state percent of
47 growth, pursuant to section 257.8, subsection 2, for
48 the budget year, multiplied by the amount calculated
49 by the department of management under this subsection
50 for the base year.

1 7. *Professional development supplement state cost*
2 *per pupil.* For the budget year beginning July 1, 2009,
3 for the professional development supplement state
4 cost per pupil, the department of management shall
5 add together the professional development allocation
6 made to each district for the fiscal year beginning
7 July 1, 2008, pursuant to section 284.13, subsection
8 1, paragraph "d", Code 2009, and divide that sum
9 by the statewide total budget enrollment for the
10 fiscal year beginning July 1, 2009. The professional
11 development supplement state cost per pupil for the
12 budget year beginning July 1, 2010, and succeeding
13 budget years, shall be the amount calculated by the
14 department of management under this subsection for
15 the base year plus ~~an allowable growth~~ a supplemental
16 state aid amount that is equal to the professional
17 development supplement categorical state percent of
18 growth, pursuant to section 257.8, subsection 2, for
19 the budget year, multiplied by the amount calculated
20 by the department of management under this subsection
21 for the base year.

22 8. *Early intervention supplement state cost per*
23 *pupil.* For the budget year beginning July 1, 2009,
24 for the early intervention supplement state cost per
25 pupil, the department of management shall add together
26 the early intervention allocation made to each district
27 for the fiscal year beginning July 1, 2008, pursuant
28 to section 256D.4, Code 2009, and divide that sum by
29 the statewide total budget enrollment for the fiscal
30 year beginning July 1, 2009. The early intervention
31 supplement state cost per pupil for the budget year
32 beginning July 1, 2010, and succeeding budget years,
33 shall be the amount calculated by the department of
34 management under this subsection for the base year plus
35 ~~an allowable growth~~ a supplemental state aid amount
36 that is equal to the early intervention supplement
37 categorical state percent of growth, pursuant to
38 section 257.8, subsection 2, for the budget year,
39 multiplied by the amount calculated by the department
40 of management under this subsection for the base year.

41 9. *Area education agency teacher salary supplement*
42 *state cost per pupil.* For the budget year beginning
43 July 1, 2009, for the area education agency teacher
44 salary supplement state cost per pupil, the department
45 of management shall add together the teacher
46 compensation allocation made to each area education
47 agency for the fiscal year beginning July 1, 2008,
48 pursuant to section 284.13, subsection 1, paragraph
49 "i", Code 2009, and the phase II allocation made
50 to each area education agency for the fiscal year

1 beginning July 1, 2008, pursuant to section 294A.9,
2 Code 2009, and divide that sum by the statewide special
3 education support services weighted enrollment for
4 the fiscal year beginning July 1, 2009. The area
5 education agency teacher salary supplement state
6 cost per pupil for the budget year beginning July 1,
7 2010, and succeeding budget years, shall be the amount
8 calculated by the department of management under this
9 subsection for the base year plus ~~an allowable growth~~
10 a supplemental state aid amount that is equal to the
11 teacher salary supplement categorical state percent of
12 growth, pursuant to section 257.8, subsection 2, for
13 the budget year, multiplied by the amount calculated
14 by the department of management under this subsection
15 for the base year.

16 10. *Area education agency professional development*
17 *supplement state cost per pupil.* For the budget year
18 beginning July 1, 2009, for the area education agency
19 professional development supplement state cost per
20 pupil, the department of management shall add together
21 the professional development allocation made to each
22 area education agency for the fiscal year beginning
23 July 1, 2008, pursuant to section 284.13, subsection
24 1, paragraph "d", Code 2009, and divide that sum by
25 the statewide special education support services
26 weighted enrollment for the fiscal year beginning
27 July 1, 2009. The area education agency professional
28 development supplement state cost per pupil for the
29 budget year beginning July 1, 2010, and succeeding
30 budget years, shall be the amount calculated by the
31 department of management under this subsection for
32 the base year plus ~~an allowable growth~~ a supplemental
33 state aid amount that is equal to the professional
34 development supplement categorical state percent of
35 growth, pursuant to section 257.8, subsection 2, for
36 the budget year, multiplied by the amount calculated
37 by the department of management under this subsection
38 for the base year.

39 Sec. _____. Section 257.10, subsection 1, Code 2013,
40 is amended to read as follows:

41 1. *Regular program district cost per pupil for*
42 *1991-1992.* For the budget year beginning July 1, 1991,
43 in order to determine the regular program district
44 cost per pupil for a district, the department of
45 management shall divide the product of the regular
46 program district cost per pupil of the district for
47 the base year, as regular program district cost per
48 pupil would have been calculated under section 442.9,
49 Code 1989, multiplied by its budget enrollment for
50 the base year as budget enrollment would have been

1 calculated under section 442.4, Code 1989, plus the
2 amount added to district cost pursuant to section
3 442.21, Code 1989, for each school district, by the
4 budget enrollment of the school district for the budget
5 year beginning July 1, 1990, calculated under section
6 257.6, subsection 4, as if section 257.6, subsection 4,
7 had been in effect for that budget year. The regular
8 program district cost per pupil for the budget year
9 beginning July 1, 1991, is the amount calculated by the
10 department of management under this subsection plus
11 the ~~allowable-growth supplemental state aid~~ amount,
12 as defined in this division of this Act, calculated
13 for regular program state cost per pupil, except that
14 if the regular program district cost per pupil for
15 the budget year calculated under this subsection in
16 any school district exceeds one hundred ten percent
17 of the regular program state cost per pupil for the
18 budget year, the department of management shall reduce
19 the regular program district cost per pupil of that
20 district for the budget year to an amount equal to
21 one hundred ten percent of the regular program state
22 cost per pupil for the budget year, and if the regular
23 program district cost per pupil for the budget year
24 calculated under this subsection in any school district
25 is less than the regular program state cost per pupil
26 for the budget year, the department of management shall
27 increase the regular program district cost per pupil of
28 that district to an amount equal to the regular program
29 state cost per pupil for the budget year.

30 Sec. _____. Section 257.10, subsection 2, paragraph
31 a, Code 2013, is amended to read as follows:

32 a. For the budget year beginning July 1, 1992, and
33 succeeding budget years, the regular program district
34 cost per pupil for each school district for a budget
35 year is the regular program district cost per pupil for
36 the base year plus the regular program ~~allowable-growth~~
37 supplemental state aid for the budget year except as
38 otherwise provided in this subsection.

39 Sec. _____. Section 257.10, subsection 4, paragraph
40 a, Code 2013, is amended to read as follows:

41 a. For the budget year beginning July 1, 1992, and
42 succeeding budget years, the special education support
43 services district cost per pupil for the budget year is
44 the special education support services district cost
45 per pupil for the base year plus the special education
46 support services ~~allowable-growth~~ supplemental state
47 aid for the budget year.

48 Sec. _____. Section 257.10, subsection 5, Code 2013,
49 is amended to read as follows:

50 5. *Combined district cost per pupil.* The combined

1 district cost per pupil for a school district is the
2 sum of the regular program district cost per pupil
3 and the special education support services district
4 cost per pupil. Combined district cost per pupil does
5 not include ~~modified allowable growth supplemental~~
6 state aid added for school districts that have a
7 negative balance of funds raised for special education
8 instruction programs, modified allowable growth
9 supplemental state aid granted by the school budget
10 review committee for a single school year, or modified
11 allowable growth supplemental state aid added for
12 programs for dropout prevention.

13 Sec. _____. Section 257.10, subsection 9, paragraph
14 a, Code 2013, is amended to read as follows:

15 a. For the budget year beginning July 1, 2009,
16 the department of management shall add together the
17 teacher compensation allocation made to each district
18 for the fiscal year beginning July 1, 2008, pursuant
19 to section 284.13, subsection 1, paragraph "h", Code
20 2009, and the phase II allocation made to each district
21 for the fiscal year beginning July 1, 2008, pursuant
22 to section 294A.9, Code 2009, and divide that sum by
23 the district's budget enrollment in the fiscal year
24 beginning July 1, 2009, to determine the teacher salary
25 supplement district cost per pupil. For the budget
26 year beginning July 1, 2010, and succeeding budget
27 years, the teacher salary supplement district cost per
28 pupil for each school district for a budget year is
29 the teacher salary supplement program district cost
30 per pupil for the base year plus the teacher salary
31 supplement ~~state allowable growth supplemental state~~
32 aid amount for the budget year.

33 Sec. _____. Section 257.10, subsection 10, paragraph
34 a, Code 2013, is amended to read as follows:

35 a. For the budget year beginning July 1, 2009, the
36 department of management shall divide the professional
37 development allocation made to each district for the
38 fiscal year beginning July 1, 2008, pursuant to section
39 284.13, subsection 1, paragraph "d", Code 2009, by
40 the district's budget enrollment in the fiscal year
41 beginning July 1, 2009, to determine the professional
42 development supplement cost per pupil. For the
43 budget year beginning July 1, 2010, and succeeding
44 budget years, the professional development supplement
45 district cost per pupil for each school district for a
46 budget year is the professional development supplement
47 district cost per pupil for the base year plus the
48 professional development supplement ~~state allowable~~
49 growth supplemental state aid amount for the budget
50 year.

1 Sec. _____. Section 257.10, subsection 11, paragraph
2 a, Code 2013, is amended to read as follows:
3 a. For the budget year beginning July 1, 2009,
4 the department of management shall divide the early
5 intervention allocation made to each district for the
6 fiscal year beginning July 1, 2008, pursuant to section
7 256D.4, Code 2009, by the district's budget enrollment
8 in the fiscal year beginning July 1, 2009, to determine
9 the early intervention supplement cost per pupil. For
10 the budget year beginning July 1, 2010, and succeeding
11 budget years, the early intervention supplement
12 district cost per pupil for each school district for
13 a budget year is the early intervention supplement
14 district cost per pupil for the base year plus the
15 early development supplement ~~state allowable growth~~
16 supplemental state aid amount for the budget year.
17 Sec. _____. Section 257.13, subsections 2 and 3, Code
18 2013, are amended to read as follows:
19 2. The board of directors of a school district that
20 wishes to receive an on-time funding budget adjustment
21 shall adopt a resolution to receive the adjustment and
22 notify the school budget review committee annually,
23 but not earlier than November 1, as determined by the
24 department of education. The school budget review
25 committee shall establish a modified ~~allowable growth~~
26 supplemental state aid in an amount determined pursuant
27 to subsection 1.
28 3. If the board of directors of a school district
29 determines that a need exists for additional funds
30 exceeding the authorized budget adjustment for on-time
31 funding pursuant to this section, a request for
32 modified ~~allowable growth~~ supplemental state aid based
33 upon increased enrollment may be submitted to the
34 school budget review committee as provided in section
35 257.31.
36 Sec. _____. Section 257.31, subsection 5, unnumbered
37 paragraph 1, Code 2013, is amended to read as follows:
38 If a district has unusual circumstances, creating
39 an unusual need for additional funds, including
40 but not limited to the circumstances enumerated in
41 paragraphs "a" through "n", the committee may grant
42 supplemental aid to the district from any funds
43 appropriated to the department of education for
44 the use of the school budget review committee for
45 the purposes of this subsection. The school budget
46 review committee shall review a school district's
47 unexpended fund balance prior to any decision regarding
48 unusual finance circumstances. Such aid shall be
49 miscellaneous income and shall not be included in
50 district cost. In addition to or as an alternative to

1 granting supplemental aid the committee may establish
2 a modified ~~allowable growth supplemental state aid~~
3 for the district by increasing its ~~allowable growth~~
4 ~~supplemental state aid~~. The school budget review
5 committee shall review a school district's unspent
6 balance prior to any decision to increase modified
7 ~~allowable growth supplemental state aid~~ under this
8 subsection.

9 Sec. _____. Section 257.31, subsection 6, paragraph
10 a, Code 2013, is amended to read as follows:

11 a. The committee shall establish a modified
12 ~~allowable growth supplemental state aid~~ for a district
13 by increasing its ~~allowable growth supplemental~~
14 ~~state aid~~ when the district submits evidence that it
15 requires additional funding for removal, management,
16 or abatement of environmental hazards due to a state
17 or federal requirement. Environmental hazards
18 shall include but are not limited to the presence of
19 asbestos, radon, or the presence of any other hazardous
20 material dangerous to health and safety.

21 Sec. _____. Section 257.31, subsection 7, paragraph
22 b, Code 2013, is amended to read as follows:

23 b. Other expenditures, including but not limited
24 to expenditures for salaries or recurring costs, are
25 not authorized under this subsection. Expenditures
26 authorized under this subsection shall not be included
27 in ~~allowable growth supplemental state aid~~ or district
28 cost, and the portion of the unexpended fund balance
29 which is authorized to be spent shall be regarded as if
30 it were miscellaneous income. Any part of the amount
31 not actually spent for the authorized purpose shall
32 revert to its former status as part of the unexpended
33 fund balance.

34 Sec. _____. Section 257.31, subsection 14, paragraph
35 b, subparagraph (3), Code 2013, is amended to read as
36 follows:

37 (3) A school district is only eligible to receive
38 supplemental aid payments during the budget year if
39 the school district certifies to the school budget
40 review committee that for the year following the
41 budget year it will notify the school budget review
42 committee to instruct the director of the department of
43 management to increase the district's ~~allowable growth~~
44 ~~supplemental state aid~~ and will fund the ~~allowable~~
45 ~~growth supplemental state aid~~ increase either by using
46 moneys from its unexpended fund balance to reduce the
47 district's property tax levy or by using cash reserve
48 moneys to equal the amount of the deficit that would
49 have been property taxes and any part of the state aid
50 portion of the deficit not received as supplemental aid

1 under this subsection. The director of the department
2 of management shall make the necessary adjustments to
3 the school district's budget to provide the modified
4 ~~allowable growth supplemental state aid~~ and shall make
5 the supplemental aid payments.

6 Sec. _____. Section 257.32, subsection 1, paragraph
7 a, Code 2013, is amended to read as follows:

8 a. An area education agency budget review procedure
9 is established for the school budget review committee
10 created in section 257.30. The school budget review
11 committee, in addition to its duties under section
12 257.31, shall meet and hold hearings each year to
13 review unusual circumstances of area education
14 agencies, either upon the committee's motion or upon
15 the request of an area education agency. The committee
16 may grant supplemental aid to the area education agency
17 from funds appropriated to the department of education
18 for area education agency budget review purposes, or
19 an amount may be added to the area education agency
20 special education support services ~~allowable growth~~
21 ~~supplemental state aid~~ for districts in an area or
22 an additional amount may be added to district cost
23 for media services or educational services for all
24 districts in an area for the budget year either on a
25 temporary or permanent basis, or both.

26 Sec. _____. Section 257.37, subsections 1 and 3, Code
27 2013, are amended to read as follows:

28 1. For the budget year beginning July 1, 1991,
29 and succeeding budget years, the total amount funded
30 in each area for media services shall be computed as
31 provided in this subsection. For the budget year
32 beginning July 1, 1991, the total amount funded in
33 each area for media services in the base year shall
34 be divided by the enrollment served in the base year
35 to provide an area media services cost per pupil in
36 the base year, and the department of management shall
37 compute the state media services cost per pupil in the
38 base year which is equal to the average of the area
39 media services costs per pupil in the base year. For
40 the budget year beginning July 1, 1991, and succeeding
41 budget years, the department of management shall
42 compute the ~~allowable growth supplemental state aid~~
43 for media services in the budget year by multiplying
44 the state media services cost per pupil in the base
45 year times the state percent of growth for the budget
46 year, and the total amount funded in each area for
47 media services cost in the budget year equals the
48 area media services cost per pupil in the base year
49 plus the ~~allowable growth supplemental state aid~~ for
50 media services in the budget year times the enrollment

1 served in the budget year. Funds shall be paid to area
2 education agencies as provided in section 257.35.

3 3. For the budget year beginning July 1, 1991, and
4 succeeding budget years, the total amount funded in
5 each area for educational services shall be computed
6 as provided in this subsection. For the budget year
7 beginning July 1, 1991, the total amount funded in each
8 area for educational services in the base year shall
9 be divided by the enrollment served in the area in
10 the base year to provide an area educational services
11 cost per pupil in the base year, and the department
12 of management shall compute the state educational
13 services cost per pupil in the base year, which is
14 equal to the average of the area educational services
15 costs per pupil in the base year. For the budget
16 year beginning July 1, 1991, and succeeding budget
17 years, the department of management shall compute the
18 ~~allowable growth~~ supplemental state aid for educational
19 services by multiplying the state educational services
20 cost per pupil in the base year times the state percent
21 of growth for the budget year, and the total amount
22 funded in each area for educational services for the
23 budget year equals the area educational services cost
24 per pupil for the base year plus the ~~allowable growth~~
25 supplemental state aid for educational services in the
26 budget year times the enrollment served in the area in
27 the budget year. Funds shall be paid to area education
28 agencies as provided in section 257.35.

29 Sec. _____. Section 257.37A, subsection 1, paragraph
30 a, Code 2013, is amended to read as follows:

31 a. For the budget year beginning July 1, 2009,
32 the department of management shall add together the
33 teacher compensation allocation made to each area
34 education agency for the fiscal year beginning July
35 1, 2008, pursuant to section 284.13, subsection 1,
36 paragraph "i", Code 2009, and the phase II allocation
37 made to each area education agency for the fiscal year
38 beginning July 1, 2008, pursuant to section 294A.9,
39 Code 2009, and divide that sum by the special education
40 support services weighted enrollment in the fiscal
41 year beginning July 1, 2009, to determine the area
42 education agency teacher salary supplement cost per
43 pupil. For the budget year beginning July 1, 2010,
44 and succeeding budget years, the area education agency
45 teacher salary supplement district cost per pupil
46 for each area education agency for a budget year is
47 the area education agency teacher salary supplement
48 district cost per pupil for the base year plus the
49 area education agency teacher salary supplement ~~state~~
50 ~~allowable growth~~ supplemental state aid amount for the

1 budget year.

2 Sec. _____. Section 257.37A, subsection 2, paragraph
3 a, Code 2013, is amended to read as follows:

4 a. For the budget year beginning July 1, 2009,
5 the department of management shall divide the area
6 education agency professional development supplement
7 made to each area education agency for the fiscal year
8 beginning July 1, 2008, pursuant to section 284.13,
9 subsection 1, paragraph "d", Code 2009, by the special
10 education support services weighted enrollment in
11 the fiscal year beginning July 1, 2009, to determine
12 the professional development supplement cost per
13 pupil. For the budget year beginning July 1, 2010,
14 and succeeding budget years, the area education agency
15 professional development supplement district cost per
16 pupil for each area education agency for a budget year
17 is the area education agency professional development
18 supplement district cost per pupil for the base year
19 plus the area education agency professional development
20 supplement ~~state allowable growth~~ supplemental state
21 aid amount for the budget year.

22 Sec. _____. Section 257.38, subsection 1, unnumbered
23 paragraph 1, Code 2013, is amended to read as follows:

24 Boards of school districts, individually or jointly
25 with boards of other school districts, requesting
26 to use modified ~~allowable growth~~ supplemental state
27 aid for programs for returning dropouts and dropout
28 prevention, shall submit comprehensive program plans
29 for the programs and budget costs, including annual
30 requests for modified ~~allowable growth~~ supplemental
31 state aid for funding the programs, to the department
32 of education as a component of the comprehensive school
33 improvement plan submitted to the department pursuant
34 to section 256.7, subsection 21. The program plans
35 shall include:

36 Sec. _____. Section 257.38, subsection 2, Code 2013,
37 is amended to read as follows:

38 2. Program plans shall identify the parts of the
39 plan that will be implemented first upon approval
40 of the request. If a district is requesting to use
41 modified ~~allowable growth~~ supplemental state aid
42 to finance the program, the school district shall
43 not identify more than five percent of its budget
44 enrollment for the budget year as returning dropouts
45 and potential dropouts.

46 Sec. _____. Section 257.40, Code 2013, is amended to
47 read as follows:

48 **257.40 Approval of programs for returning dropouts**
49 **and dropout prevention — annual report.**

50 1. The board of directors of a school district

1 requesting to use modified allowable growth
2 supplemental state aid for programs for returning
3 dropouts and dropout prevention shall submit requests
4 for modified at-risk allowable growth supplemental
5 state aid, including budget costs, to the department
6 not later than December 15 of the year preceding the
7 budget year during which the program will be offered.
8 The department shall review the request and shall prior
9 to January 15 either grant approval for the request
10 or return the request for approval with comments of
11 the department included. An unapproved request for a
12 program may be resubmitted with modifications to the
13 department not later than February 1. Not later than
14 February 15, the department shall notify the department
15 of management and the school budget review committee of
16 the names of the school districts for which programs
17 using modified allowable growth supplemental state aid
18 for funding have been approved and the approved budget
19 of each program listed separately for each school
20 district having an approved request.

21 2. Beginning January 15, 2007, the department shall
22 submit an annual report to the chairpersons and ranking
23 members of the senate and house education committees
24 that includes the ways school districts in the previous
25 school year used modified allowable growth supplemental
26 state aid approved under subsection 1; identifies,
27 by grade level, age, and district size, the students
28 in the dropout and dropout prevention programs for
29 which the department approves a request; describes
30 school district progress toward increasing student
31 achievement and attendance for the students in the
32 programs; and describes how the school districts are
33 using the revenues from the modified allowable growth
34 supplemental state aid to improve student achievement
35 among minority subgroups.

36 Sec. _____. Section 257.41, subsections 1 and 3, Code
37 2013, are amended to read as follows:

38 1. *Budget.* The budget of an approved program for
39 returning dropouts and dropout prevention for a school
40 district, after subtracting funds received from other
41 sources for that purpose, shall be funded annually on
42 a basis of one-fourth or more from the district cost
43 of the school district and up to three-fourths by an
44 increase in allowable growth supplemental state aid as
45 defined in section 257.8. Annually, the department of
46 management shall establish a modified allowable growth
47 supplemental state aid for each such school district
48 equal to the difference between the approved budget
49 for the program for returning dropouts and dropout
50 prevention for that district and the sum of the amount

1 funded from the district cost of the school district
2 plus funds received from other sources.

3 3. *Limitation.* For the fiscal year beginning
4 July 1, 2013, and each succeeding fiscal year, the
5 ratio of the amount of ~~modified allowable growth~~
6 supplemental state aid established by the department
7 of management compared to the school district's total
8 regular program district cost shall not exceed two and
9 one-half percent. However, if the school district's
10 highest such ratio so determined for any fiscal year
11 beginning on or after July 1, 2009, but before July 1,
12 2013, exceeded two and one-half percent, the ratio may
13 exceed two and one-half percent but shall not exceed
14 the highest such ratio established during that period.

15 Sec. _____. Section 257.46, subsection 2, Code 2013,
16 is amended to read as follows:

17 2. The remaining portion of the budget shall be
18 funded by the thirty-eight dollar increase in ~~allowable~~
19 ~~growth~~ supplemental state aid, as defined in this
20 division of this Act, for the school budget year
21 beginning July 1, 1999, multiplied by a district's
22 budget enrollment. The thirty-eight dollar increase
23 for the school budget year beginning July 1, 1999,
24 shall increase in subsequent years by each year's state
25 percent of growth. School districts shall annually
26 report the amount expended for a gifted and talented
27 program to the department of education. The proportion
28 of a school district's budget which corresponds to
29 the thirty-eight dollar increase in ~~allowable growth~~
30 supplemental state aid, as defined in this division of
31 this Act, for the school budget year beginning July 1,
32 1999, added to the amount in subsection 1, shall be
33 utilized exclusively for a school district's gifted and
34 talented program.

35 Sec. _____. Section 273.23, subsection 8, Code 2013,
36 is amended to read as follows:

37 8. For the school year beginning on the effective
38 date of an area education agency reorganization as
39 provided in this subchapter, the special education
40 support services cost per pupil shall be based upon
41 the combined base year budgets for special education
42 support services of the area education agencies that
43 reorganized to form the newly formed area education
44 agency, divided by the total of the weighted enrollment
45 for special education support services in the
46 reorganized area education agency for the base year
47 plus the ~~allowable growth~~ supplemental state aid amount
48 per pupil for special education support services for
49 the budget year as calculated in section 257.8.

50 Sec. _____. Section 280.4, subsection 3, Code 2013,

1 is amended to read as follows:

2 3. In order to provide funds for the excess costs
3 of instruction of limited English proficient students
4 above the costs of instruction of pupils in a regular
5 curriculum, students identified as limited English
6 proficient shall be assigned an additional weighting
7 of twenty-two hundredths, and that weighting shall
8 be included in the weighted enrollment of the school
9 district of residence for a period not exceeding four
10 years. However, the school budget review committee may
11 grant supplemental aid or modified ~~allowable growth~~
12 supplemental state aid to a school district to continue
13 funding a program for students after the expiration of
14 the four-year period.

15 Sec. _____. APPLICABILITY. This division of this Act
16 applies to school budget years beginning on or after
17 July 1, 2014.>

18 2. Page 23, line 22, by striking <an allowable
19 growth> and inserting <a supplemental state aid>

20 3. Page 24, line 21, by striking <state allowable
21 growth> and inserting <supplemental state aid>

22 4. Page 36, line 17, by striking <allowable growth>
23 and inserting <supplemental state aid>

24 5. By renumbering, redesignating, and correcting
25 internal references as necessary.

SODERBERG of Plymouth